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ATTORNEY FOR DEBTOR

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:

PREFERRED READY-MIX LLC,

Debtor.

§
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CASE NO. 21-33369

Chapter 11

**FIRST MODIFICATION TO DEBTOR'S PLAN OF REORGANIZATION
UNDER SUBCHAPTER V OF CHAPTER 11**

Preferred Ready Mix, LLC ("Debtor") proposes the following First Modification to Debtor's Plan of Reorganization Under Subchapter V of Chapter 11 (the "Plan") [Docket No. 43] pursuant to Chapter 11 of the United States Bankruptcy Code to address the concerns raised by the Office of the U.S. Trustee, Wayne C. Tyson, Alisons Inc. L.L.C., and Robert Berleth. In accordance with Bankruptcy Rule 3019, to the extent applicable, this Plan may be modified or amended upon application of the Debtor, or corrected prior to the Confirmation Date. The changes proposed herein are neither material nor adverse to any party and should be made a part of the Plan approved in this case and are set forth as follows:

AMENDMENTS TO THE PLAN

4.4 Liabilities of the Debtor

According to Debtor's Schedules and the Proof of Claims filed in this Case, the Debtor's liabilities (excluding Administrative Expense Claims) total \$968,195.97 as of the Petition Date. The Debtor's liabilities, both Disputed and Undisputed, are summarized as follows:

- a. **Administrative Expense Claims.** The Estate will be liable for certain Administrative Expense Claims pursuant to Bankruptcy Code §503(b) through the Confirmation Date, including Fee Claims of Joyce W. Lindauer Attorney, PLLC as the Debtor's bankruptcy counsel, the Sub V Trustee, and \$7,000.00 to Robert Berleth (if Allowed after objection). Before the Debtor pays any Fee Claims, the Bankruptcy Court will have determined that such Claim should be Allowed and is reasonableness as to such fees and expenses.

6.3 Treatment of Unclassified Claims, Administrative Expense Claims, Priority Tax Claims, and U.S. Trustee Fees

- b. **Administrative Expense Claims.** Each holder of an Administrative Expense Claim under Bankruptcy Code § 503 shall receive either: (i) with respect to Administrative Expense Claims which are Allowed Claims on the Effective Date, the amount of such holder's Allowed Claim in one cash payment, within ten (10) days after the Effective Date, from the Debtor; (ii) with respect to Administrative Expense Claims which become Allowed Claims after the Effective Date, the amount of such holder's Allowed Claim, in one cash payment from the Debtor within ten (10) days after such Claim becomes an Allowed Administrative Expense Claim; or (iii) such other treatment agreed upon by the Debtor and such holder. The Plan shall provide for the submission of all or such portion of the future income of the Debtor as required to make the payments called for by the Plan to the supervision and control of the Subchapter V Trustee as is necessary for the execution of the Plan in the event the Plan is not determined to be consensual.

6.4 Treatment of Classified Claims and Interests Under the Plan

Class 1 Claims: Allowed Secured Claims of Bank Direct Capital Finance and Wayne C. Tyson in the amount of \$56,856.14. All Class 1 Claims shall be paid in full in 60 equal monthly installments of principal plus interest at the rate of 6.5% per annum. The payments shall begin on the first day of the first month following the Effective Date and continue on the first day of each subsequent month until each Claim is paid in full under the Plan.

This Claimant shall retain its pre-Petition Date Liens securing these Claims. These Claims are IMPAIRED.

8.1 Vesting of Property

On the Confirmation Date of the Plan, all property of the Estate shall vest in the Debtor pursuant to sections 1141(b) and (c) of the Bankruptcy Code, free and clear of all Claims and interests except as otherwise provided in this Plan. If the Debtor defaults in performing under the provisions of the Plan and the Chapter 11 case is converted to Chapter 7, all property vested in the Debtor and all subsequently acquired property owned as of or after the conversion date shall revest and constitute property of the bankruptcy estate in the Chapter 7 case. This Plan will evidence the release of any and all Liens or encumbrances against all property dealt with by the Plan, unless such Lien or encumbrance is specifically retained in the Plan.

8.7 Modification of the Plan

- a. Prior to Confirmation.** The Debtor may modify this Plan at any time prior to Confirmation, provided the modification complies with the requirements of sections 1122 and 1123 of the Bankruptcy Code. Upon the filing of any such modifications with the Bankruptcy Court, the Plan, as modified, becomes the Plan.
- b. After Confirmation.** The Debtor may modify the Plan at any time after Confirmation. The Debtor or its attorney shall provide notice of any such proposed modification to all Creditors and other parties in interest in these Chapter 11 proceedings. If, in the opinion of the Bankruptcy Court, the modification does not materially and adversely affect the interest of the Creditors, the Bankruptcy Court may modify the Plan without notice to Creditors, or may modify the Plan upon notice only to those Creditors that the Bankruptcy Court deems to be materially and adversely affected.

9.12 Reports

Prior to the Effective Date, the Debtor shall file with the Bankruptcy Court monthly reports in a form reasonably acceptable to the U.S. Trustee. On or after the Effective Date, the Debtor shall file with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee until the earliest of the Debtor's Chapter 11 case being closed, dismissed, or converted to a case under Chapter 7 of the Bankruptcy Code.

9.13 Discharge

Nothing contained in this Plan is intended to violate the provisions of 11 U.S.C. § 524(e).

9.14 Remedies.

Under § 1191(c)(3)(B), and to the extent the Plan must be confirmed non-consensually under § 1191(b), this Plan provides "appropriate remedies" to protect holders of claims if payments are not made. In the event that payments are not made as approved by the Court then the Sub V Trustee may provide a notice of default to the Debtor and after ten (10) days should the default not be cured then the Sub V Trustee may seek to reopen the case and convert the case to one under Chapter 7 of the Code or may seek to liquidate the assets of the Debtor with the cooperation of the Debtor in order to pay the Allowed Claims of Creditors.

If the Plan does not have sufficient votes to confirm consensually the Plan must be confirmed non-consensually under § 1191(b). The Debtor will show that the Plan provides for and meets the requirements of § 1191(c)(1), (2) and (3), including "appropriate remedies" to protect holders of claims if payments are not made.

9.15 Distributions to Creditors by Subchapter V Trustee.

Distributions will be made in accordance with the payment calculations provided by the Debtor. The Trustee is not responsible for calculating or correcting the payment amounts due under

the Plan. Within seven (7) business days of the expiration of objection period applicable to a Quarterly Report, the Subchapter V Trustee shall disburse such funds received from the Reorganized Debtor according to the Plan. Funds from any disbursement check written by the Subchapter V Trustee, where the check remains unnegotiated for more than 60 days, may be redistributed *pro rata* to other Class 1 unsecured creditors, as provided for under the Plan, or may be placed with this Court's unclaimed funds register pursuant to 28 U.S.C. 2042, at the discretion of the Subchapter V Trustee. In the event the Subchapter V Trustee has insufficient funds to make any distribution under the Plan approved by this Order, Plan Payments may be adjusted during the life of the Plan without further order of the Court to account for any Plan Payment adjustments. Any disbursements made by the Subchapter V Trustee following entry of this Order on account of a claim which is a satisfaction of claim are deemed authorized disbursements, and the Subchapter V Trustee shall have no liability for these disbursements. The Reorganized Debtor will pursue the recovery of any disbursements made on account of a claim which is subsequently withdrawn and/or satisfied.

9.16 Subchapter V. Trustee Disbursement Reports.

The Subchapter V Trustee shall provide all required reports to the United States Trustee for review, during the period in which the Subchapter V Trustee continues to make plan payments. Upon completion of all plan payments, the Subchapter V Trustee should submit the final report and final account of the administration of the estate to the United States Trustee for review pursuant to section 1183(b)(1). After review, the final report and account will be filed with the Court.

9.17 Subchapter V Requirements.

Section 1191(c)(1) – with respect to a class of secured claims (Classes 1 and 2), the plan provides that the holders of such claims retain the liens securing such claims to the extent of the allowed amount of such claims (§ 1129(A)(i)(I)); and that each holder of a claim of such class receives deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the estate's interest in such property (§ 1129(A)(i)(II)) or for the realization by such holders of the indubitable equivalent of such claims (§ 1129(A)(iii)).

Section 1191(c)(2) – as of the Effective Date of the Plan, the Plan provides that all of the projected disposable income of the Debtor to be received in the 3-year period, or such longer period not to exceed 5 years as the Court may fix, beginning on the date that the first payment is due under the plan will be applied to make payments under the plan (§ 1191(c)(1)). The disposable income of a business is defined in § 1191(d)(2). The proposed payments under the Plan meet these requirements.

Updated projections are attached hereto as Exhibit "1." A summary of the Monthly Operating Reports is attached hereto as Exhibit "2."

Dated: February 4, 2022.

Submitted By:

/s/ Joyce Lindauer

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ATTORNEYS FOR DEBTOR

/s/ Robert Foran

Authorized Representative of the Debtor

CHAPTER 11 DEBTOR PROJECTIONS**Preferred Ready-Mix LLC**

Amended 2/4/2022

	Month 1 April	Month 2 May	Month 3 June	Month 4 July	Month 5 August
INCOME					
Cash Receipts	75,000.00	125,000.00	125,000.00	125,000.00	125,000.00
NET INCOME	75,000.00	125,000.00	125,000.00	125,000.00	125,000.00
EXPENSES					
Cash Disbursements	37,500.00	62,500.00	62,500.00	62,500.00	62,500.00
TOTAL EXPENSES	37,500.00	62,500.00	62,500.00	62,500.00	62,500.00
PLAN PAYMENTS BY CLASS					
0 Allowed Administrative Claims	5,000.00	5,000.00	5,000.00	5,000.00	
Allowed Secured Claims of BankDirect Capital Finance					
1 and Wayne C. Tyson	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46
2 Allowed Secured Claim of FundThrough USA Inc.	169.15	169.15	169.15	169.15	169.15
3 Allowed General Unsecured Claims (excl. Insiders)	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
4 Allowed Unsecured Claims of Insiders					
5 Allowed Equity Interest Holders					
TOTAL PLAN PAYMENTS	13,781.61	13,781.61	13,781.61	13,781.61	8,781.61
NET INCOME	23,718.39	48,718.39	48,718.39	48,718.39	53,718.39
CUMULATIVE INCOME	23,718.39	72,436.78	121,155.17	169,873.56	223,591.95

Notes on Income:

This is a seasonal business. Work is slow in winter months due to weather issues, typically from December to April.

EXHIBIT "1"

Month 6 September	Month 7 October	Month 8 November	Month 9 December	Month 10 January	Month 11 February	Month 12 March	Month 13 April	Month 14 May	Month 15 June
125,000.00	125,000.00	125,000.00	60,000.00	60,000.00	65,000.00	70,000.00	75,000.00	125,000.00	125,000.00
125,000.00	125,000.00	125,000.00	60,000.00	60,000.00	65,000.00	70,000.00	75,000.00	125,000.00	125,000.00
62,500.00	62,500.00	62,500.00	30,000.00	30,000.00	32,500.00	35,000.00	37,500.00	62,500.00	62,500.00
62,500.00	62,500.00	62,500.00	30,000.00	30,000.00	32,500.00	35,000.00	37,500.00	62,500.00	62,500.00
1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46
169.15	169.15	169.15	169.15	169.15	169.15	169.15	169.15	169.15	169.15
7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61
53,718.39	53,718.39	53,718.39	21,218.39	21,218.39	23,718.39	26,218.39	28,718.39	53,718.39	53,718.39
277,310.34	331,028.73	384,747.12	405,965.51	427,183.90	450,902.29	477,120.68	505,839.07	559,557.46	613,275.85

Month 16 July	Month 17 August	Month 18 September	Month 19 October	Month 20 November	Month 21 December	Month 22 January	Month 23 February	Month 24 March	Month 25 April
125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	60,000.00	60,000.00	65,000.00	70,000.00	75,000.00
125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	60,000.00	60,000.00	65,000.00	70,000.00	75,000.00
62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	30,000.00	30,000.00	32,500.00	35,000.00	37,500.00
62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	30,000.00	30,000.00	32,500.00	35,000.00	37,500.00
1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46
169.15	169.15	169.15	169.15	169.15	169.15	169.15	169.15	169.15	169.15
7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61
53,718.39	53,718.39	53,718.39	53,718.39	53,718.39	21,218.39	21,218.39	23,718.39	26,218.39	28,718.39
666,994.24	720,712.63	774,431.02	828,149.41	881,867.80	903,086.19	924,304.58	948,022.97	974,241.36	1,002,959.75

Month 26 May	Month 27 June	Month 28 July	Month 29 August	Month 30 September	Month 31 October	Month 32 November	Month 33 December	Month 34 January	Month 35 February
125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	60,000.00	60,000.00	65,000.00
125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	60,000.00	60,000.00	65,000.00
62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	30,000.00	30,000.00	32,500.00
62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	30,000.00	30,000.00	32,500.00
1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46
169.15	169.15	169.15	169.15	169.15	169.15	169.15	169.15	169.15	169.15
7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61
53,718.39	53,718.39	53,718.39	53,718.39	53,718.39	53,718.39	53,718.39	21,218.39	21,218.39	23,718.39
1,056,678.14	1,110,396.53	1,164,114.92	1,217,833.31	1,271,551.70	1,325,270.09	1,378,988.48	1,400,206.87	1,421,425.26	1,445,143.65

Month 36 March	Month 37 April	Month 38 May	Month 39 June	Month 40 July	Month 41 August	Month 42 September	Month 43 October	Month 44 November	Month 45 December
70,000.00	75,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	60,000.00
70,000.00	75,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	60,000.00
35,000.00	37,500.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	30,000.00
35,000.00	37,500.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	30,000.00
1,112.46 169.15 7,500.00	1,112.46 169.15 7,500.00	1,112.46 169.15 7,500.00	1,112.46 169.15 7,500.00	1,112.46 169.15 7,500.00	1,112.46 169.15 7,500.00	1,112.46 169.15 7,500.00	1,112.46 169.15 7,500.00	1,112.46 169.15 7,500.00	1,112.46 169.15 7,500.00
8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61
26,218.39	28,718.39	53,718.39	53,718.39	53,718.39	53,718.39	53,718.39	53,718.39	53,718.39	21,218.39
1,471,362.04	1,500,080.43	1,553,798.82	1,607,517.21	1,661,235.60	1,714,953.99	1,768,672.38	1,822,390.77	1,876,109.16	1,897,327.55

Month 46 January	Month 47 February	Month 48 March	Month 49 April	Month 50 May	Month 51 June	Month 52 July	Month 53 August	Month 54 September	Month 55 October
60,000.00	65,000.00	70,000.00	75,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00
60,000.00	65,000.00	70,000.00	75,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00
30,000.00	32,500.00	35,000.00	37,500.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00
30,000.00	32,500.00	35,000.00	37,500.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00
1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46	1,112.46
169.15	169.15	169.15	169.15	169.15	169.15	169.15	169.15	169.15	169.15
7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61	8,781.61
21,218.39	23,718.39	26,218.39	28,718.39	53,718.39	53,718.39	53,718.39	53,718.39	53,718.39	53,718.39
1,918,545.94	1,942,264.33	1,968,482.72	1,997,201.11	2,050,919.50	2,104,637.89	2,158,356.28	2,212,074.67	2,265,793.06	2,319,511.45

Month 56 November	Month 57 December	Month 58 January	Month 59 February	Month 60 March
125,000.00	60,000.00	60,000.00	65,000.00	70,000.00
125,000.00	60,000.00	60,000.00	65,000.00	70,000.00
62,500.00	30,000.00	30,000.00	32,500.00	35,000.00
62,500.00	30,000.00	30,000.00	32,500.00	35,000.00
1,112.46	1,112.46	1,112.46	1,112.46	1,112.46
169.15	169.15	169.15	169.15	169.15
7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
8,781.61	8,781.61	8,781.61	8,781.61	8,781.61
53,718.39	21,218.39	21,218.39	23,718.39	26,218.39
2,373,229.84	2,394,448.23	2,415,666.62	2,439,385.01	2,465,603.40

Preferred Ready-Mix LLC**2/4/2022**

Source:	MOR cash receipts & disbursements
Nr of months:	2

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Revenue and Expense Overview

MOR:	Nov-21	Dec-21	Average
A. Gross Revenue	\$ 44,018.10	\$ 47,865.40	\$ 45,941.75
B. Expenses (excl. reorganization)	\$ 18,519.39	\$ 26,527.03	\$ 22,523.21
D. Net Income (A - B)	\$ 25,498.71	\$ 21,338.37	\$ 23,418.54

Revenue			
Cash Receipts	\$ 44,018.10	\$ 47,865.40	\$ 45,941.75
			\$ -
Totals	\$ 44,018.10	\$ 47,865.40	\$ 45,941.75

Expenses (Excluding Reorganization)			
Cash Disbursements	\$ 18,519.39	\$ 26,527.03	\$ 22,523.21
			\$ -
Totals	\$ 18,519.39	\$ 26,527.03	\$ 22,523.21

Excludes short MOR for end of October (\$2,185 receipts, \$836 disbursements)

Reorganization Expenses			
Professional Fees			\$ -
US Trustee Fees			\$ -
Other			\$ -
Totals	\$ -	\$ -	\$ -

EXHIBIT "2"